



# Massachusetts Department of Revenue

## Briefing Book FY2009 Consensus Revenue Estimate Hearing

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# Introduction

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This Briefing Book created by the Department of Revenue (DOR) is intended to provide you with DOR's current tax revenue estimates for fiscal years 2008 and 2009 and relevant background information.

DOR's fiscal year 2008 estimated range of revenues is based on actual collections through November and projected estimates for the remainder seven months of the fiscal year. Additionally, the fiscal year 2009 range of estimated revenues is based on the economic projections of our outside vendors: Moody's Economy.com; Global Insight; and the New England Economic Partnership (NEEP). These figures have been adjusted for projected taxpayer settlements and legislatively mandated tax changes.

We hope that you find this material useful in your deliberations.

## FY07 Results

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- FY07 tax collections totaled \$19.736 billion, up \$1.2 billion, or 6.8% from FY06.
- FY07 “baseline” tax collections (i.e., growth adjusted for the impact of tax law and administrative changes) were up 7.2% from FY06.
- FY07 tax collections were \$436 million above the final FY07 revenue estimate of \$19.300 billion, primarily due to higher than projected withholding collections, taxes on interest and dividends, and corporate taxes. Capital gains taxes were up by about 6.3% in FY07 compared to FY06.
- FY07 saw continued strength in withholding tax collections and a slowdown in sales tax collections:
  - FY07 baseline withholding collections increased 6.7%, compared with growth of 6.4% in the previous fiscal year;
  - FY07 baseline sales tax collections were up only 0.8%, compared with baseline growth of 3.1% in FY06. FY07 sales tax collections were dragged down by declining motor vehicle sales and weakness in the housing sector.
- Corporate and business collections were up 11.2% baseline in FY07, down from 31% baseline growth in FY06.

# FY08 Summary

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- **Assumptions For FY08 Tax Revenue Estimates**
  - The FY08 General Appropriation Act (using the consensus revenue estimate, which was agreed upon in January 2007) assumed FY08 revenue collections of \$19.879 billion, before subtracting \$54 million for the value of tax cuts enacted after the FY08 consensus estimate was agreed upon. The resulting \$19.825 billion estimate (\$19.879 billion minus \$54 million) reflected actual growth of 0.7% and baseline growth of 1.4% baseline from actual FY07 collections.
  - Based on FY08 first quarter revenue collections and updated economic forecasts, on October 30, 2007 the Executive Office for Administration and Finance (A&F) increased the FY08 revenue estimate by \$400 million, to \$20.225 billion. The revised estimate reflects actual growth of 2.5% and baseline growth of 3.3%.
  - The October 30, 2007 A&F estimate assumed moderate revenue growth in Massachusetts, with total baseline revenues growing by 2.4% over the last 9 months of FY08. Over those 9 months, and before tax law changes, withholding was projected to grow by 4.5%, sales tax was projected to grow by 2.5%, and corporate/business tax was projected to decline by 5.5%. Capital gains realizations were assumed to increase 3% in tax year 2007 compared to 2006 and unchanged in tax year 2008 from tax year 2007.

# FY08 Summary

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- **FY08 Results Through November 2007**
  - Total tax collections of \$7.289 billion, up \$311 million, or 4.5%, compared to the same five-month period in FY07, \$48 million above the November year-to-date benchmark set out in the October 30, 2007 revised revenue estimate.
  - Year-to-date baseline growth rate of +5.1%, with relatively strong growth in the income tax offsetting weak growth in the sales tax and a decline in the corporate tax.
  - Year-to-date withholding growth of 5.8% actual and 6.4% baseline.
  - Year-to-date income tax estimated payment increase of 19.3% actual and 19.5% baseline, probably due to growth in investment income in tax year 2006 (estimated payments for tax year 2007 would be based on 2006 earnings).
  - Corporate and business tax collections have weakened, and are down 6.7% actual and 4.5% baseline FY07 year-to-date. Corporate and business estimated payments (an indicator of current business conditions) are down 14.6%, and refunds are up substantially, which may indicate that corporations expect less taxable income in the coming months.

# FY08 Summary

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- **Massachusetts Economic Forecasts for Remainder of Fiscal Year 2008**
  - The Massachusetts economy is expected to slow during the second half of FY08. According to vendor forecasts, Massachusetts payrolls should expand between 0.6% and 0.8% in the second half of FY08. This compares with employment growth of 1.1% to 1.2% during the first half of FY08.
  - In line with a slowing economy early next year, Massachusetts wage and salary disbursements are expected to rise between 3.6% and 4.5% during the second half of FY2008, down from between 6.6% and 6.9% in the first half of the fiscal year.
  - Economy.com is the only economic forecast vendor that projects capital gains. They forecast that tax year 2007 capital gains realizations (which determine FY08 capital gains tax collections) will be about 4.0% lower than they were in tax year 2006, declining a further by 13.0% in tax year 2008 before increasing by about 24.9% in tax year 2009. We have used the tax year 2007 forecast in our estimates, but due to the unreliability of the forecast model for more than one year, we have chosen to assume 0% capital gains growth in tax year 2008.
  - Using economic projections from Global Insight, Economy.com, and the New England Economic Partnership (NEEP), combined with Economy.com's capital gains projections, total FY08 tax revenue is estimated to be \$20.107 billion to \$20.255 billion, \$118 million below to \$30 million above the A&F October 30, 2007 FY08 estimate of \$20.225 billion.

## FY09 Summary

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- The national economy is expected to experience slow growth during fiscal year 2009, with real Gross Domestic Product (GDP) growth of 2.2%-2.5%.
- The Massachusetts economy is expected to slow with the national economy.
  - Massachusetts employment is expected to grow 0.3% to 0.6% in FY09, compared to 0.9% to 1.0% in FY08, and Massachusetts wages and salaries are expected to increase 2.9% to 4.5% in FY09, compared to 5.1% to 5.7% in FY08;
  - Massachusetts personal income is expected to rise 3.4% to 4.6% in FY09, compared to 4.9% to 5.7% in FY08;
  - Nationally, corporate profits are expected to improve slightly with forecasts of growth between and 1.3% and 3.7% in FY09, compared to -11.3% to 1.3% in FY08;
  - The stock market as measured by the S&P 500 is expected to increase 1.7% to 3.4% in calendar year 2008, after growing 12.8% to 13.1% in tax year 2007.



## FY09 Summary

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- Due to the difficulty of forecasting capital gains, and the uncertainty in projecting such a large decline in capital gains realizations, DOR recommends assuming no growth in capital gains realizations between tax years 2007 (FY08) and 2008 (FY09). The Economy.com model projects a decline of 13% in capital gains realizations between tax years 2007 and 2008, but the model has not been reliable in projecting that far ahead.
- Using the economic growth assumptions from Global Insight, Economy.com, and the New England Economic Partnership (NEEP), FY09 tax revenue is projected to be \$20.679 billion to \$21.014 billion, reflecting baseline growth of 2.8% to 3.7% over FY08. Those estimates are \$218 million below to \$27 million above the October 30, 2007 FY09 A&F estimate of \$20.987 billion.

# Recent Revenue Trends

- **Two Measures of Tax Revenue Growth:**
  - Actual growth - growth in actual collections over two periods.
  - Baseline growth - growth had there been no tax law or administrative changes that affected tax collections. Baseline growth also adjusts for fluctuations in the timing of tax collections. Baseline growth is a better measure of the change in the underlying tax base and the economy.

## FY 2008 Year-to-Date Tax Collections Through November 2007 (in \$Millions)

	FY08 YTD Collections	FY08 YTD \$ Change from FY07	FY08 YTD Actual % Change from FY07	FY08 YTD Baseline % Change from FY07	FY08 YTD \$ Above/(Below) Benchmark Based on 10/30/07 A&F FY08 Estimate of \$20.225 Billion
Total Income	4,206	305	7.8%	8.1%	11
Income Withholding	3,568	196	5.8%	6.4%	14
Income Est Payments (Cash)	615	100	19.3%	19.5%	(2)
Income Returns/Bills	198	23	13.4%	13.4%	4
Income Refunds (Cash)	178	13	7.7%	14.2%	4
Sales & Use	1,757	33	1.9%	2.5%	2
Corporate & Business	555	(40)	(6.7%)	(4.5%)	19
All Other	770	12	1.6%	3.1%	17
<b>Total Tax Collections</b>	<b>7,289</b>	<b>311</b>	<b>4.5%</b>	<b>5.1%</b>	<b>48</b>

## Recent Revenue Trends

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- **Withholding**

- Withholding growth has been relatively strong in FY08, with baseline collections up 6.4% through November 2007, after having grown by 6.7% in FY07.

- **Income Tax Estimated Payments**

- Income tax estimated payments have continued their strong growth in FY08. After having grown by 8.5% baseline in FY07, income estimated payments are up more than 19% in FY08. This reflects strong growth in non-withheld income, primarily interest and dividend and capital gains, which were up about 36% and 8.4%, respectively, in tax year 2006.

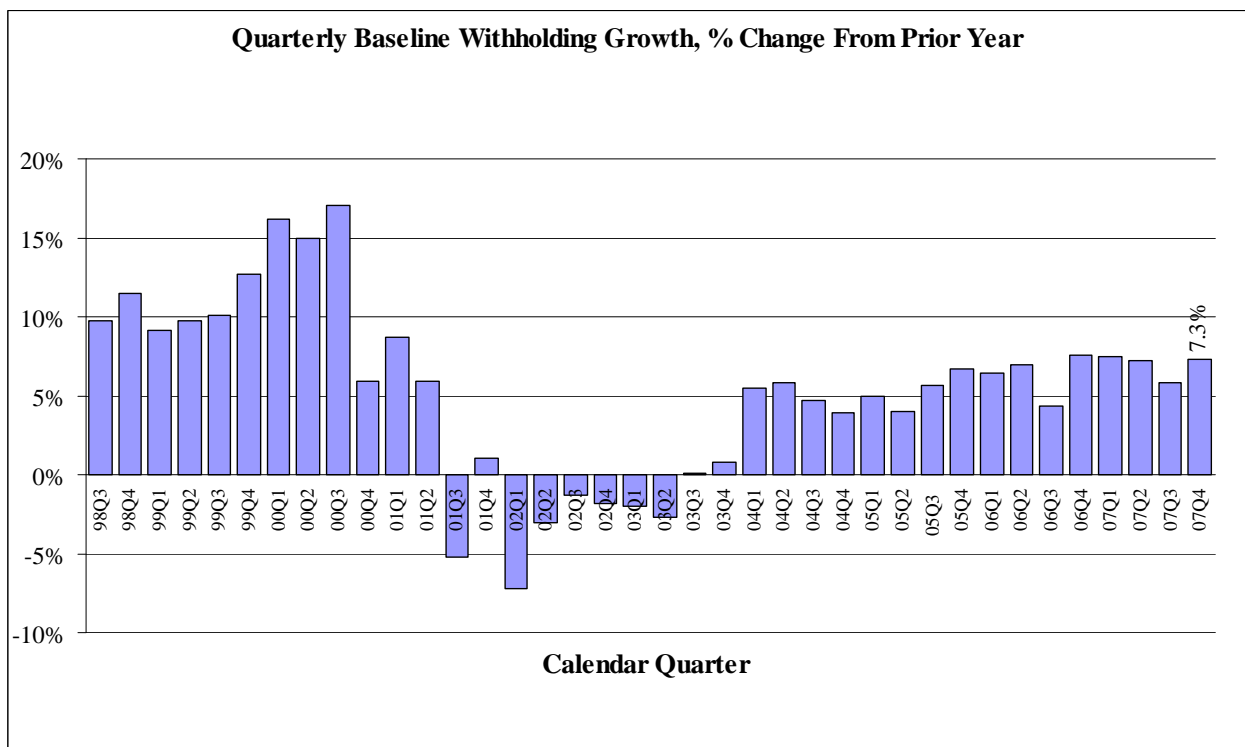
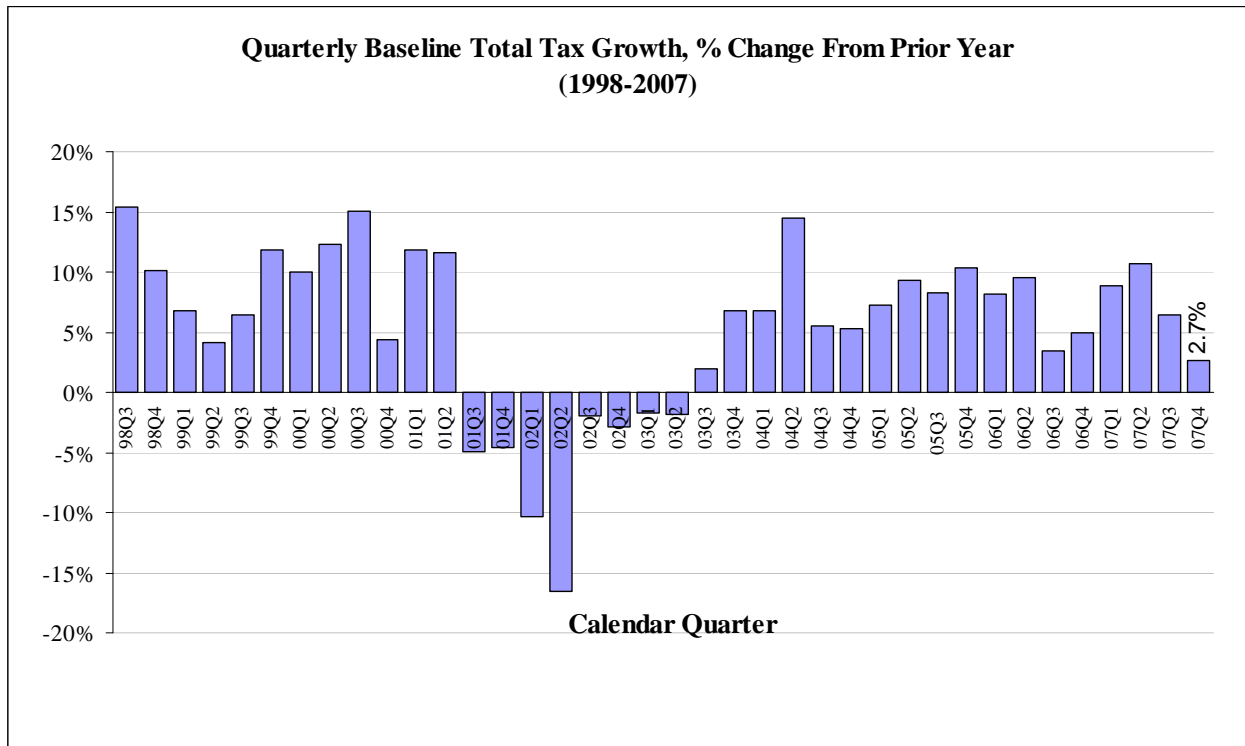
- **Sales Tax**

- Sales tax collections have continued their weak growth in FY08. After having grown by only 0.8% in FY07, sales tax collections are up 2.5% FY08, with continuing weakness in motor vehicle sales tax (-4.3% baseline) and sales tax on tangible personal property (+2.0% baseline) the result of a continuing decline in motor vehicle and housing-related sales. Increased purchases over the internet may also be reducing sales tax collections, though they are not the primary reason collections have been weak over the past two years.

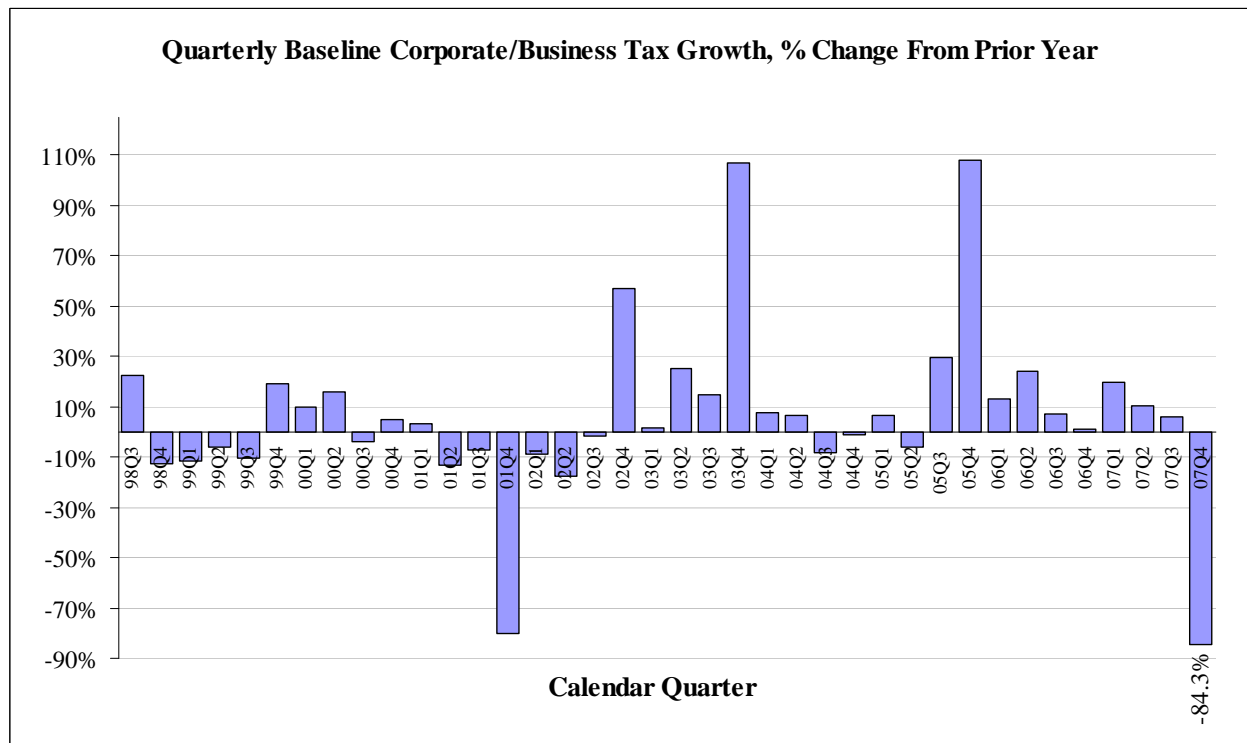
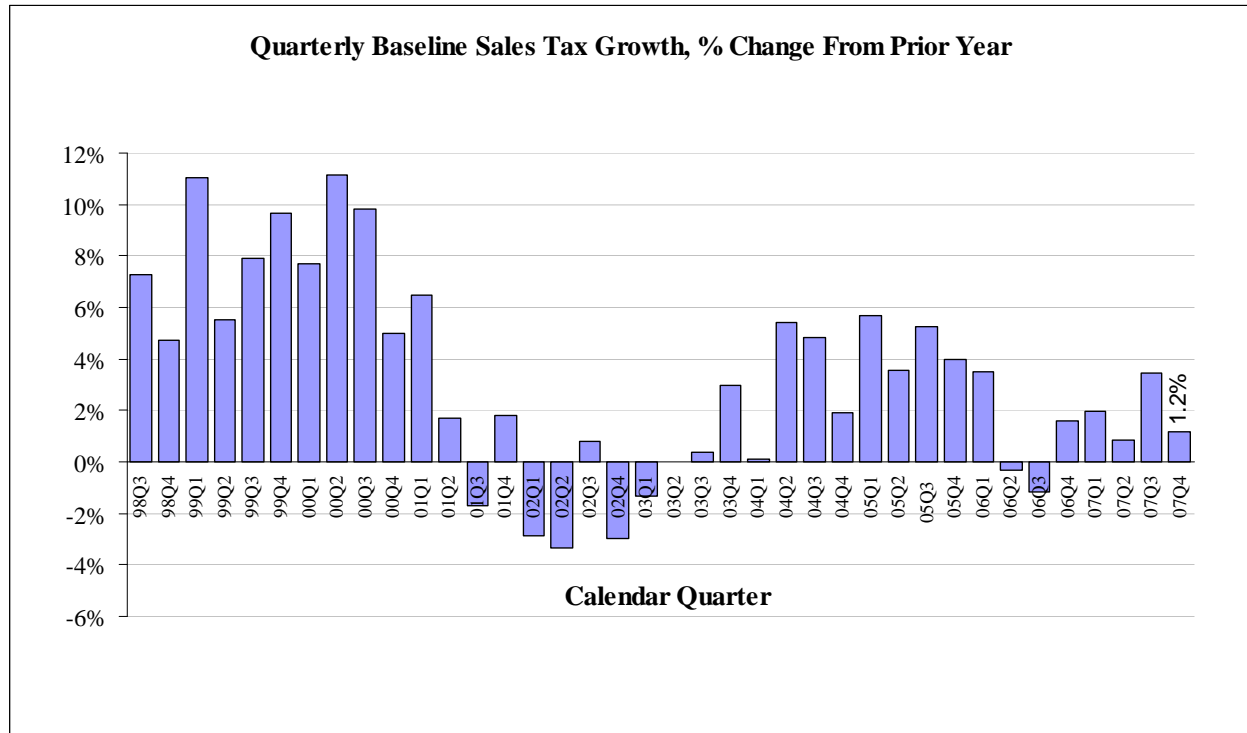
- **Corporate and Business Excise**

- After having grown by 9.8% in FY07, corporate tax collections have slowed substantially in the first five months of FY08, with a baseline decline of 4.5% through November. YTD corporate estimated payments, which reflect current economic activity, are down 14.6%.

# Recent Revenue Trends



# Recent Revenue Trends



# The U.S. Economy

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- DOR utilizes national and Massachusetts state forecasts from Global Insight, Moody's Economy.com, and the New England Economic Partnership.
- The national economy is expected to slow substantially over the next several quarters due to the slump in the housing market, the turmoil in the subprime mortgage market, and higher oil prices, though most forecasters believe that a recession will be avoided. Weighing on the economy will be softer personal consumption, a decline in business inventory levels and a continued contraction in residential investment.
- Consistent with a slower economic growth, employment growth has slowed in 2007, and it is widely expected that weakening growth in profits will further curtail hiring. US payroll employment rose 1.1% on a year-over-year basis during November 2007, the slowest pace since April 2004. The unemployment rate in November 2007 is 4.7%. It is expected to increase in next year.
- The housing market has weakened significantly this year. Sales of new and existing homes have declined. The inventory of unsold new homes has climbed to high levels, home prices have fallen in many areas, and foreclosures have hit record highs. Conditions in the housing market may worsen in the near future and pose a big challenge to the economy.

# The U.S. Economy

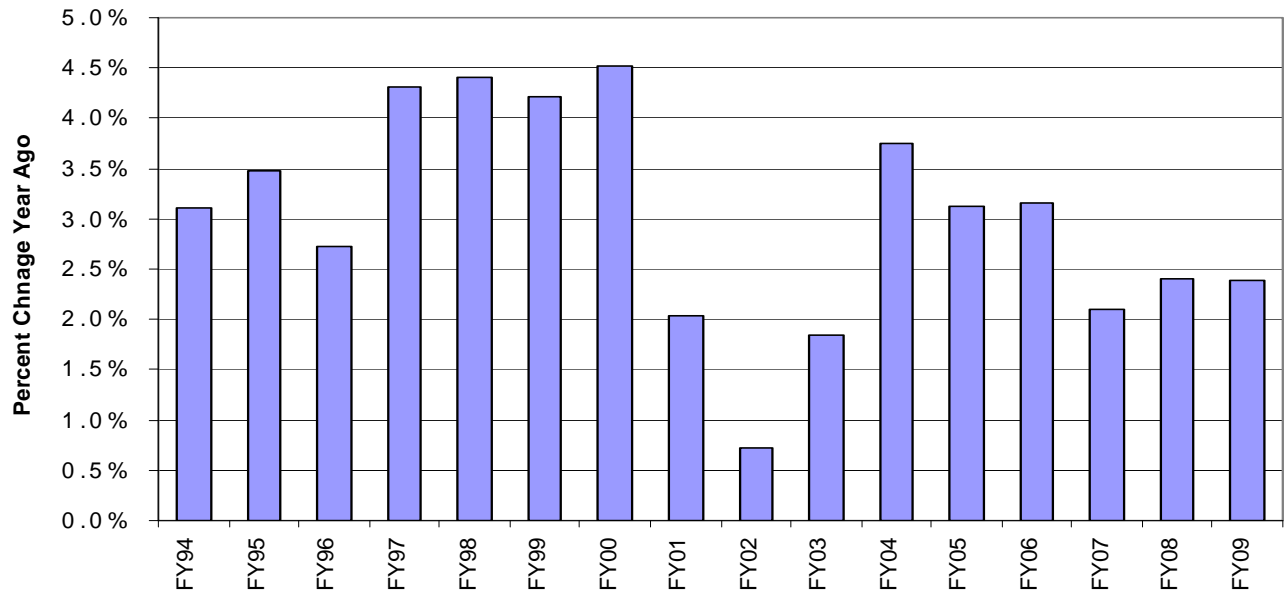
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- In response to the turmoil in the mortgage and financial markets, the Federal Reserve cut the target federal funds rate in September, October, and December. The Federal Funds rate now stands at 4.25%, 100 basis points below the rate three months ago.
- After growing 9.2% in FY07, corporate profits are expected to slow significantly in FY08 and FY09 due to the slowing economy and credit-market turmoil. This compares with the double-digit growth in the four-year period of FY03-FY06.
- The stock market performed well in the first three quarters of 2007, with the average daily close of the S&P 500 up 14.7% from the same period of last year. However, as corporate profits are expected to slow due to the housing market decline and credit market turmoil, the growth rate in the stock price indices will fall substantially.

# The U.S. Economy

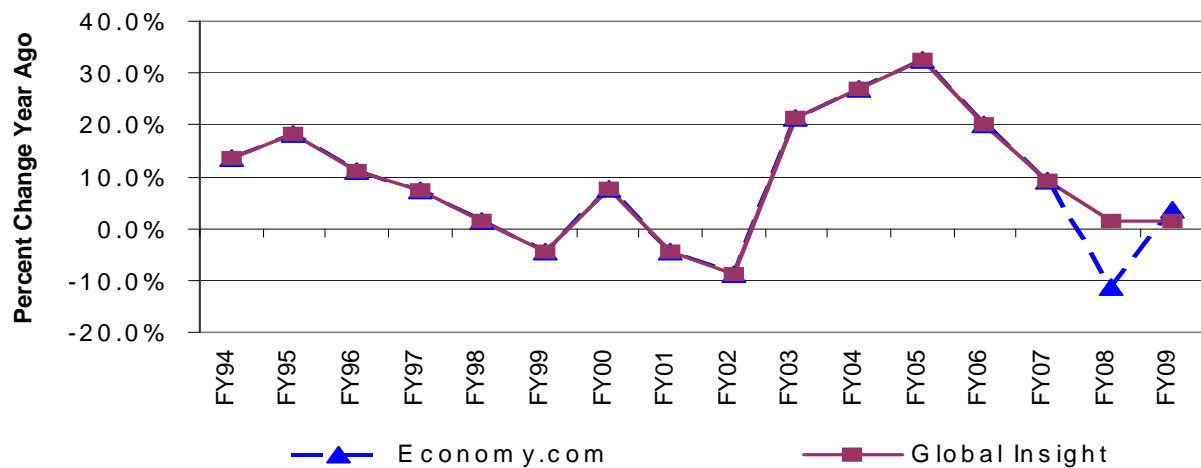
## Real GDP Growth FY1994-09

(Average of Economy.com and Global Insight 11/07 forecasts, beginning FY08)



## Business Profits Are Expected to Weaken

(Corporate Profits Before Tax FY1994-09)

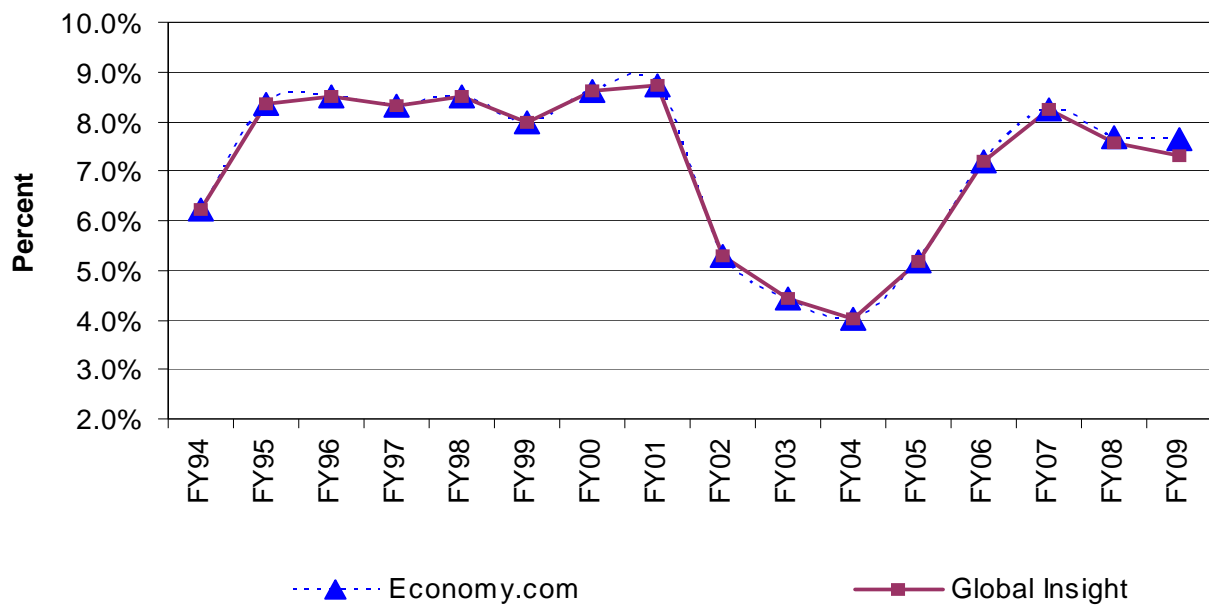




# The U.S. Economy

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## Interest Rates Will Moderate Through FY09 (Bank Prime Rate)



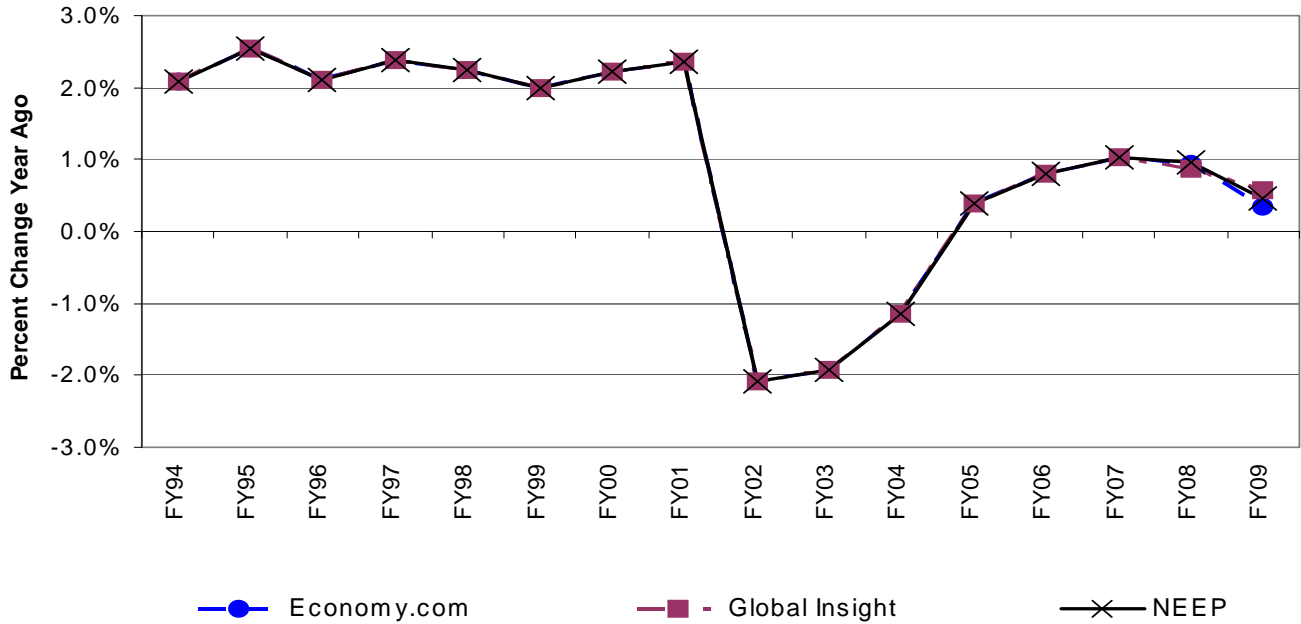
# The Massachusetts Economy

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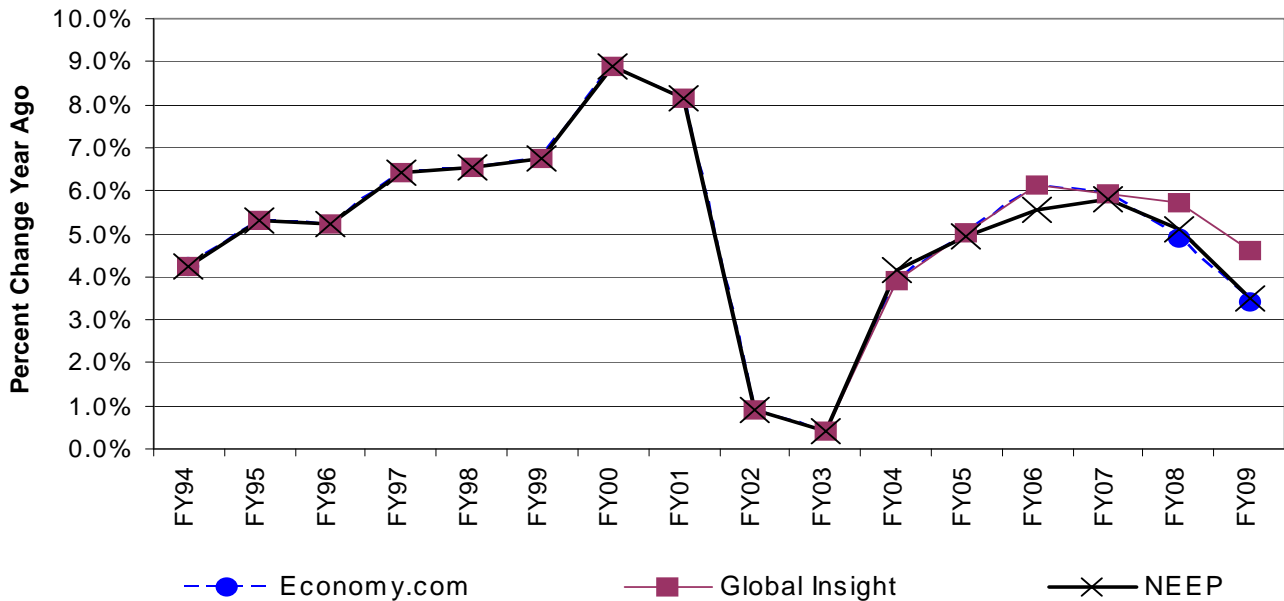
- The Commonwealth's employment picture has improved in calendar year 2007. According to the U.S. Department of Labor, state employment in October 2007 grew by 1.0% on a year-over-year basis. Over the same period of time, the unemployment rate decreased from 5.1% to 4.3%.
- According to the U.S. Census Bureau's most recent reports, Massachusetts wage and salary disbursements in the second quarter of 2007 increased by 6.9% (compared to the same quarter in 2006) after growing by 6.2% in the first quarter. Personal income increased by 6.2% in the second quarter after growing by 6.4% in the first quarter.
- The state's housing market has weakened substantially. According to the Massachusetts Association of Realtors, sales in October 2007 fell by 11.4% for single family homes and 13.2% for condominiums on a year-over-year basis. During the same period of time, the median price fell 3.2% for single family homes and rose 7.3% for condominiums.
- Like the national economy, the state economy is expected to grow slowly in 2008 and 2009 as the housing market slump and turmoil in the subprime mortgage and financial markets impede economic growth through negative effects on construction, household wealth, and consumer spending. Consistent with a slower economy, growth in wage and salary disbursements and personal income are also expected to decline.

# The Massachusetts Economy

## Massachusetts Employment Forecasts (Forecast begins in FY08)

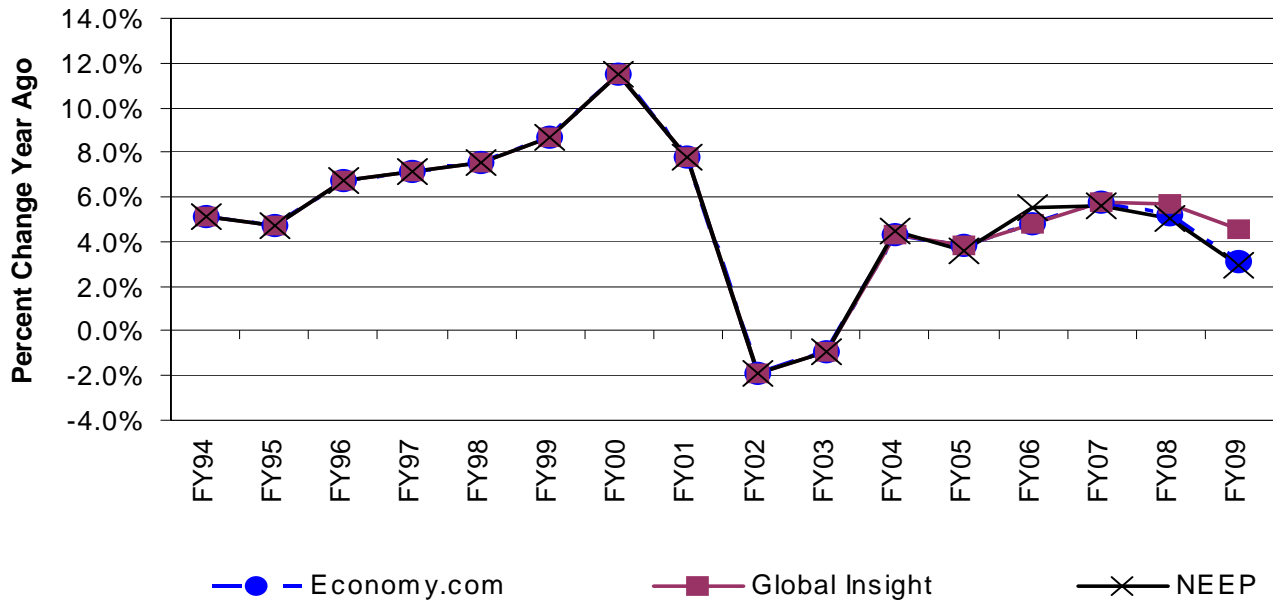


## Massachusetts Personal Income Forecasts (Forecast begins in FY08)

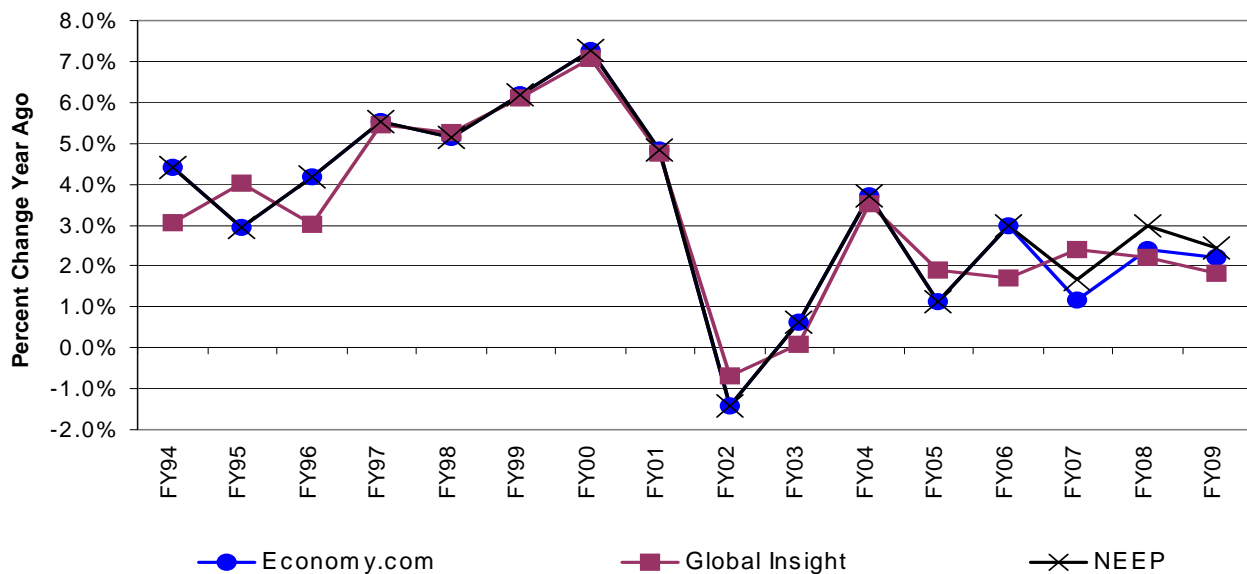


# The Massachusetts Economy

## Massachusetts Wages and Salaries Forecasts (Forecast begins in FY08)



## Massachusetts Real Gross State Product (GSP) Growth FY1994-09 (Forecast begins in CY 2007)



# Massachusetts Economic Forecast Table

(Percent Change from Prior Fiscal Year)

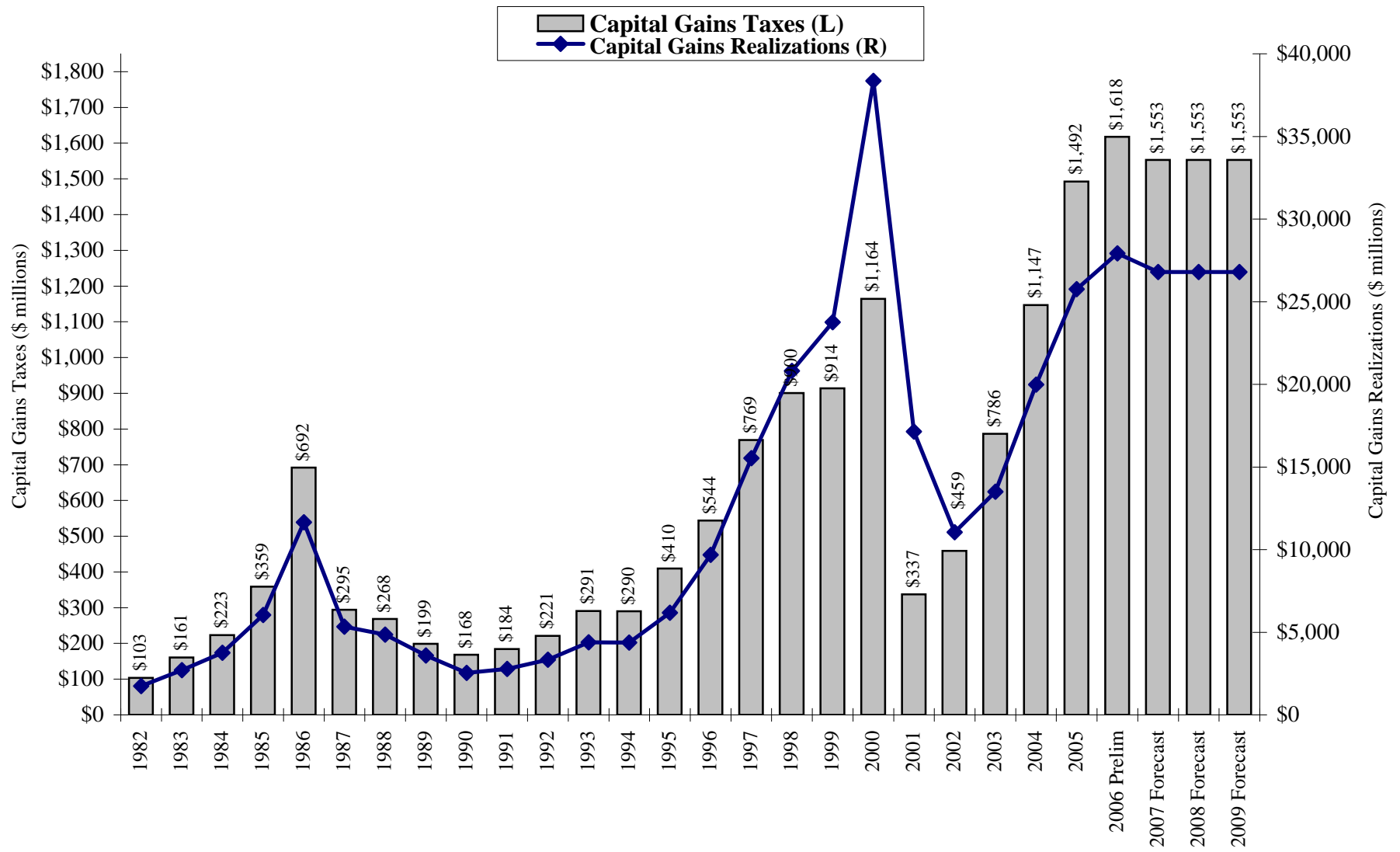
## U.S. & Massachusetts Economic Forecasts

	History			-----Forecast-----			
	FY05	FY06	FY07	FY08 First Two Quarters	FY08 Last Two Quarters	FY08 Full Fiscal Year	FY2009
<b><u>US - Global Insight 11/07</u></b>							
<b>Real GDP</b>	<b>3.1%</b>	<b>3.2%</b>	<b>2.1%</b>	2.5%	2.2%	<b>2.3%</b>	<b>2.2%</b>
<b>Corporate Profits</b>	<b>32.4%</b>	<b>20.2%</b>	<b>9.2%</b>	5.0%	-2.3%	<b>1.3%</b>	<b>1.3%</b>
<b>S&amp;P500 (Calendar year, lagged one year)</b>	<b>17.3%</b>	<b>6.8%</b>	<b>8.6%</b>	13.9%	11.7%	<b>12.8%</b>	<b>1.7%</b>
Unemployment Rate	5.3%	4.8%	4.5%	4.7%	4.9%	4.8%	5.0%
Bank Prime Rate	5.2%	7.2%	8.3%	7.9%	7.3%	7.6%	7.3%
Federal Funds Rate	2.2%	4.2%	5.3%	4.8%	4.3%	4.6%	4.3%
<b><u>US - Economy.com 11/07</u></b>							
<b>Real GDP</b>	<b>3.1%</b>	<b>3.2%</b>	<b>2.1%</b>	2.5%	2.4%	<b>2.5%</b>	<b>2.5%</b>
<b>Corporate Profits</b>	<b>32.4%</b>	<b>20.2%</b>	<b>9.2%</b>	-9.6%	-12.8%	<b>-11.3%</b>	<b>3.7%</b>
<b>S&amp;P500 (Calendar year, lagged one year)</b>	<b>17.3%</b>	<b>6.8%</b>	<b>8.6%</b>	13.9%	12.3%	<b>13.1%</b>	<b>3.4%</b>
Unemployment Rate	5.3%	4.8%	4.5%	4.7%	5.0%	4.9%	5.0%
Bank Prime Rate	5.2%	7.2%	8.3%	7.9%	7.5%	7.7%	7.6%
Federal Funds Rate	2.2%	4.2%	5.2%	4.8%	4.5%	4.7%	4.6%
<b><u>Massachusetts - Global Insight 11/07</u></b>							
Real Gross State Product	1.9%	1.7%	2.4%	2.3%	2.1%	2.2%	1.8%
<b>Wages &amp; Salaries</b>	<b>3.9%</b>	<b>4.8%</b>	<b>5.8%</b>	6.9%	4.5%	<b>5.7%</b>	<b>4.5%</b>
<b>Personal Income</b>	<b>5.0%</b>	<b>6.1%</b>	<b>5.9%</b>	6.6%	4.9%	<b>5.7%</b>	<b>4.6%</b>
<b>Employment</b>	<b>0.4%</b>	<b>0.8%</b>	<b>1.0%</b>	1.1%	0.6%	<b>0.9%</b>	<b>0.6%</b>
<b>Retail Sales</b>	<b>4.8%</b>	<b>6.6%</b>	<b>4.0%</b>	4.4%	2.0%	<b>3.2%</b>	<b>2.6%</b>
Unemployment Rate	4.9%	4.8%	5.0%	4.7%	4.7%	4.7%	4.7%
Housing Starts	16.6%	2.7%	-24.0%	-29.9%	-45.9%	-38.2%	-6.4%
<b><u>Massachusetts - Economy.com 11/07</u></b>							
Real Gross State Product	1.1%	3.0%	1.2%	2.6%	2.2%	2.4%	2.2%
<b>Wages &amp; Salaries</b>	<b>3.9%</b>	<b>4.8%</b>	<b>5.8%</b>	6.8%	3.7%	<b>5.2%</b>	<b>3.1%</b>
<b>Personal Income</b>	<b>5.0%</b>	<b>6.1%</b>	<b>5.9%</b>	6.2%	3.6%	<b>4.9%</b>	<b>3.4%</b>
<b>Employment</b>	<b>0.4%</b>	<b>0.8%</b>	<b>1.0%</b>	1.2%	0.7%	<b>0.9%</b>	<b>0.3%</b>
<b>Retail Sales</b>	<b>5.0%</b>	<b>4.3%</b>	<b>3.6%</b>	3.6%	2.6%	<b>3.1%</b>	<b>2.9%</b>
Unemployment Rate	4.9%	4.8%	5.0%	4.7%	4.9%	4.8%	4.7%
Housing Permits	12.6%	-4.3%	-27.8%	-26.0%	-41.9%	-33.9%	6.8%
Home Sales	12.4%	-2.6%	-8.9%	-22.4%	-36.7%	-30.0%	16.9%
<b><u>Massachusetts - NEEP 11/07</u></b>							
Real Gross State Product	1.1%	3.0%	1.7%	3.5%	2.4%	3.0%	2.4%
<b>Wages &amp; Salaries</b>	<b>3.5%</b>	<b>5.5%</b>	<b>5.6%</b>	6.6%	3.6%	<b>5.1%</b>	<b>2.9%</b>
<b>Personal Income</b>	<b>4.9%</b>	<b>5.5%</b>	<b>5.8%</b>	6.3%	4.0%	<b>5.1%</b>	<b>3.5%</b>
<b>Employment</b>	<b>0.4%</b>	<b>0.8%</b>	<b>1.0%</b>	1.1%	0.8%	<b>1.0%</b>	<b>0.5%</b>
<b>Retail Sales</b>	<b>5.0%</b>	<b>4.3%</b>	<b>3.6%</b>	3.6%	2.6%	<b>3.1%</b>	<b>2.9%</b>
Unemployment Rate	4.9%	4.8%	5.0%	5.1%	5.2%	5.1%	5.0%
Housing Permits	12.6%	-4.3%	-27.8%	-26.2%	-33.5%	-29.8%	19.7%

Note: Growth rates are from previous year or the same quarter of previous year

# Capital Gains Taxes

**Capital Gains Realizations and Taxes - Tax Year Basis**  
(in \$ millions)



# Capital Gains Taxes

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- Preliminary income tax return data for tax year 2006 indicate that 2006 capital gains realizations were \$28.3 billion, versus \$25.8 billion in tax year 2005, an increase of 10%. Long-term gains increased by 12.1% while short-term gains decreased by 11.7%. Capital gains taxes grew from \$1.492 billion in tax year 2005 to approximately \$1.617 billion in tax year 2006 (2006 numbers are still preliminary), an increase of \$125 million, or 8.4%. On a fiscal year basis, FY07 capital gains taxes are estimated to have totaled about \$1.663 billion (though no exact numbers are available on a fiscal year basis), an increase of \$99 million, or 6.3%, from FY06. (These estimates will likely increase as more returns are processed over the next 6 months.)
- The October 30, 2007 A&F tax revenue estimate assumed that tax year 2007 and 2008 capital gains realizations would remain at the tax year 2006 level.
- Economy.com (the only economic forecaster that estimates state capital gains realizations) estimates that Massachusetts capital gains realizations will decline by 4% compared in tax year 2007 and 13% in tax year 2008, then increase by 24.9% in tax year 2009 compared to 2008.
- DOR believes that it is too soon to predict a decline in capital gains realizations for tax year 2008, and assumes that capital gains realizations will be unchanged from tax year 2007 to tax year 2008.

## FY08 and FY09 Tax Revenue Projections

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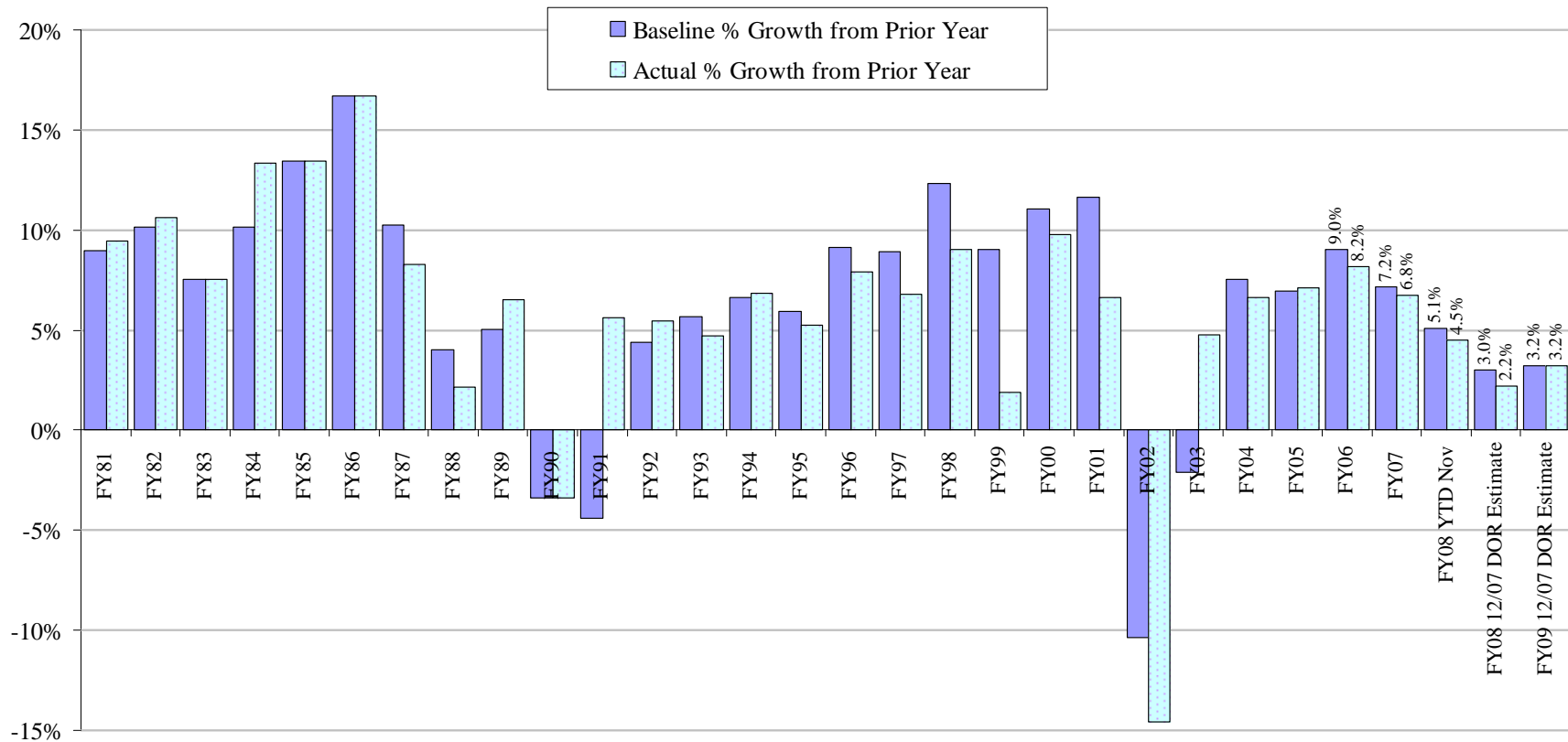
### FY08 and FY09 Tax Revenue Projections Using Economic Forecasts of Moody's Economy.com and Global Insight ( in \$ Billions)

	<u>FY08</u> <u>Projections</u>	<u>\$ Growth</u> <u>from FY07</u>	<u>% Growth</u> <u>Actual</u> <u>from FY07</u>	<u>% Growth</u> <u>Baseline</u> <u>from FY07</u>	<u>FY09</u> <u>Projections</u>	<u>\$ Growth</u> <u>from FY08</u>	<u>% Growth</u> <u>Actual</u> <u>from FY08</u>	<u>% Growth</u> <u>Baseline</u> <u>from FY08</u>
A&F 10/30/07	\$20.225	\$0.489	2.5%	3.3%	\$20.987	\$0.762	3.8%	3.8%
Economy.com	\$20.145	\$0.409	2.1%	2.9%	\$20.755	\$0.610	3.0%	3.1%
Global Insight	\$20.255	\$0.519	2.6%	3.5%	\$21.014	\$0.759	3.7%	3.8%
NEEP	\$20.107	\$0.371	1.9%	2.7%	\$20.679	\$0.572	2.8%	2.9%



# FY08 and FY09 Tax Revenue Projections

**Actual & Baseline Annual Tax Revenue Growth, FY1981-FY2009**  
(FY08 and FY09 Estimates are Average of 3 Forecasts)



## FY08 & FY09 Tax Revenue Projections

### FY07 Actual Tax Revenue Collections, FY08 and FY09 Tax Revenue Forecasts (in \$ millions)

	FY 2008					FY 2009			
	FY07 Actual	A&F 10/30/07	Economy.com	Global Insight	NEEP	A&F 10/30/07	Economy.com	Global Insight	NEEP
Withholding	8,623	8,984	9,028	9,063	9,025	9,443	9,394	9,573	9,381
Capital Gains	1,663	1,699	1,565	1,565	1,565	1,699	1,576	1,576	1,576
Other Income	1,114	1,267	1,419	1,299	1,362	1,390	1,582	1,580	1,519
Total Income Tax	11,399	11,951	12,012	11,927	11,951	12,532	12,553	12,729	12,476
Sales: Regular	2,928	3,017	3,004	2,998	3,004	3,146	3,113	3,098	3,113
Sales: Meals	609	635	634	636	635	660	661	665	661
Sales: Motor Vehicles	528	513	501	506	501	531	504	514	504
Sales Total	4,065	4,165	4,140	4,140	4,140	4,336	4,278	4,277	4,278
Corporate & Business	2,476	2,319	2,270	2,330	2,270	2,317	2,153	2,237	2,155
Other Tax Revenue	1,795	1,790	1,724	1,858	1,746	1,802	1,771	1,771	1,770
Total Tax Revenue	19,736	20,225	20,145	20,255	20,107	20,987	20,755	21,014	20,679

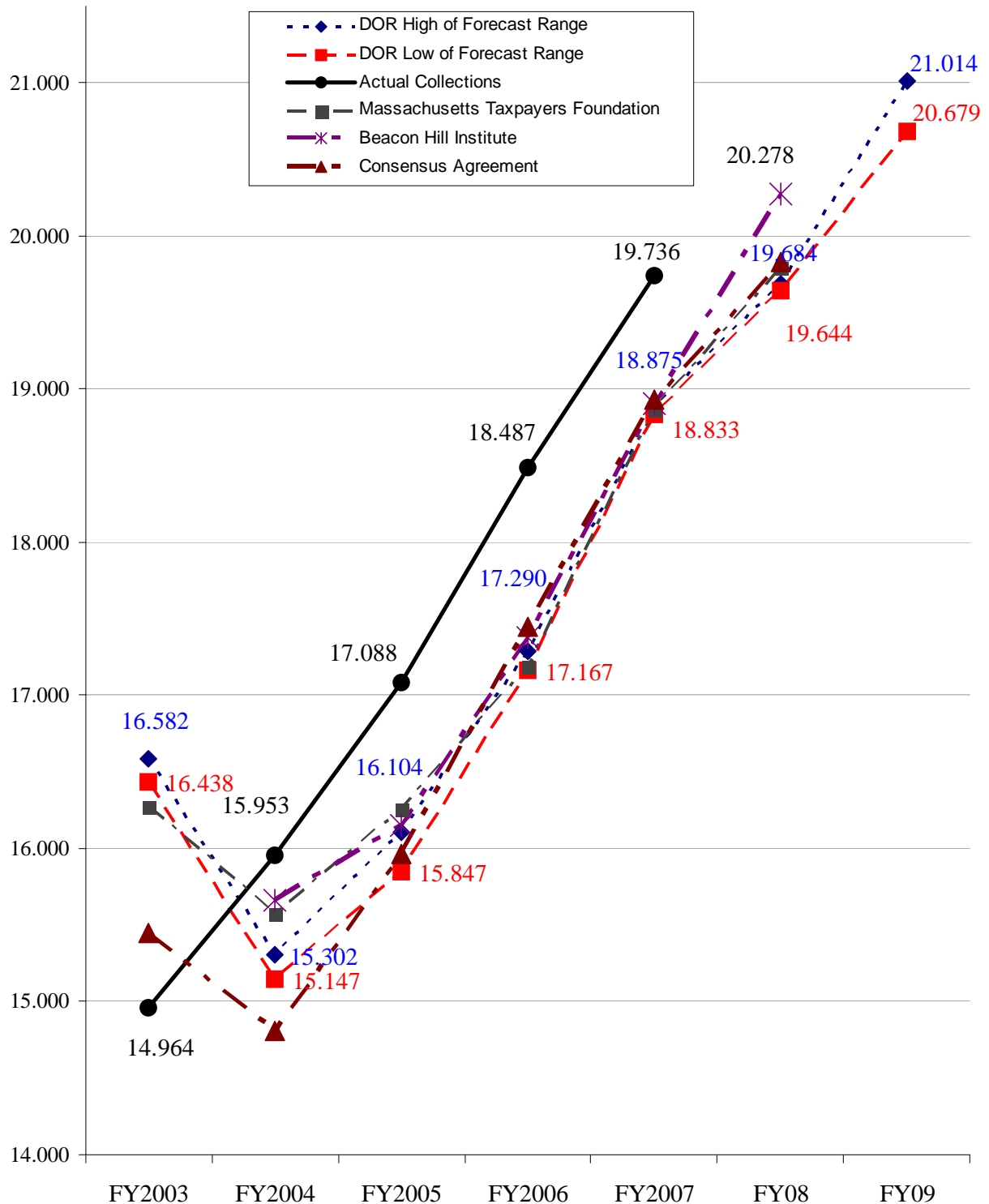
## FY08 & FY09 Tax Revenue Projections

### FY08 Year-To Date Baseline Growth; Forecasts for Remainder of FY08 and FY09

	<b>FY07 Baseline Growth</b>	<b>FY08 YTD Baseline Growth</b>	<b>Baseline Growth Remainder of FY08</b>			<b>FY09 Baseline Growth</b>		
			<u>Economy.com</u>	<u>Global Insight</u>	<u>NEEP</u>	<u>Economy.com</u>	<u>Global Insight</u>	<u>NEEP</u>
Income Total	9.4%	8.1%	4.1%	4.7%	3.6%	5.2%	6.3%	4.9%
<i>Income Withholding</i>	6.7%	6.4%	4.6%	5.3%	4.6%	4.5%	6.0%	4.4%
Sales - Regular	0.9%	2.0%	2.8%	2.4%	2.8%	2.7%	2.4%	2.7%
Sales - Meals	4.3%	5.2%	3.3%	3.8%	3.4%	4.1%	4.6%	4.2%
Sales - Motor Vehicle	-4.9%	-4.3%	-5.8%	-4.2%	-5.8%	0.6%	1.7%	0.6%
Sales - Total	0.8%	2.5%	1.8%	1.8%	1.8%	2.7%	2.6%	2.7%
Corporate & Business	11.2%	-4.5%	-5.8%	-2.6%	-5.8%	-5.0%	-3.9%	-5.0%
Other Tax Revenue	3.7%	3.3%	-3.5%	-3.3%	-3.6%	-0.1%	-0.1%	0.0%
<b>Total Tax Revenue</b>	<b>7.2%</b>	<b>5.1%</b>	<b>1.7%</b>	<b>2.6%</b>	<b>1.4%</b>	<b>3.1%</b>	<b>3.8%</b>	<b>2.9%</b>

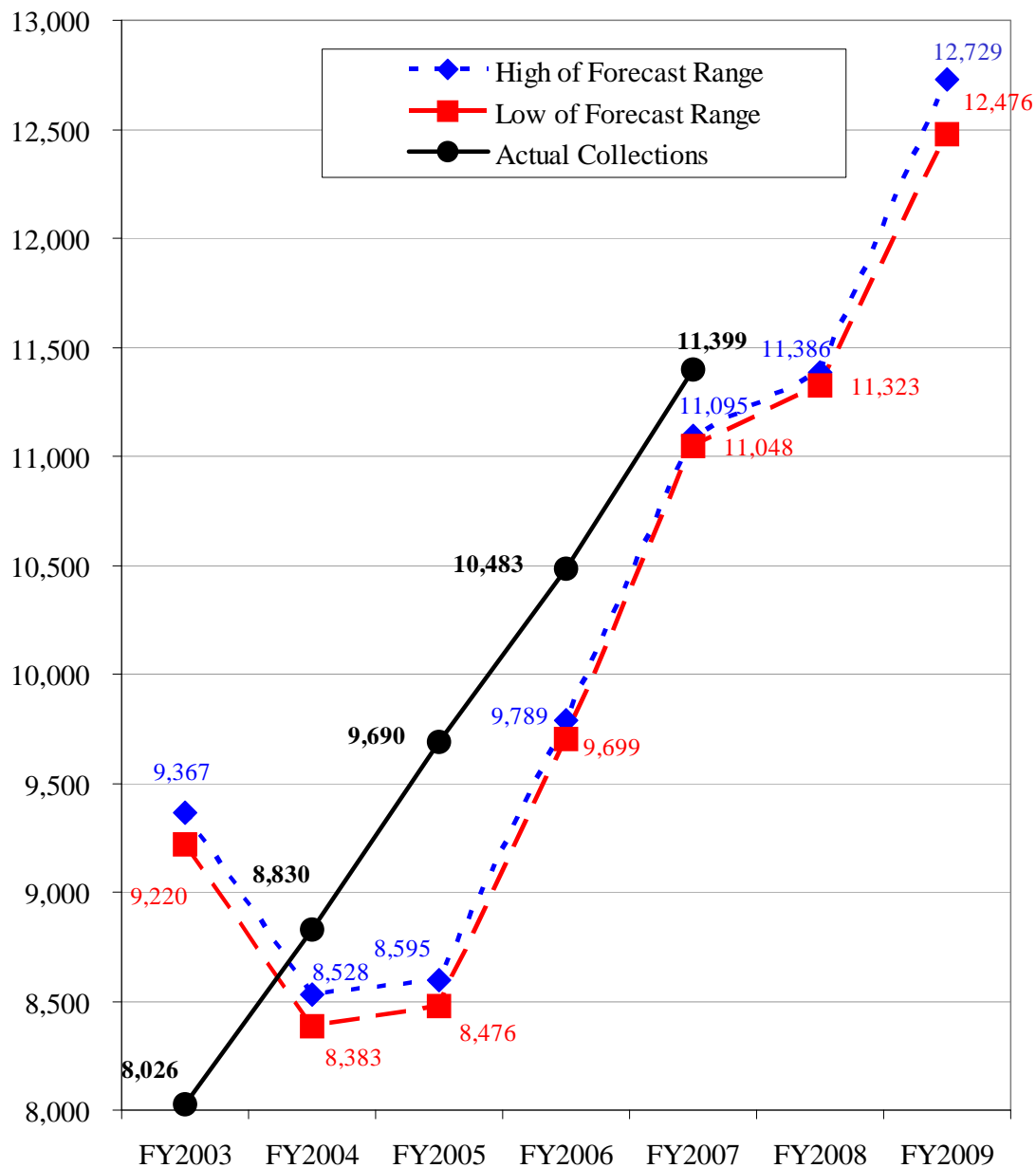
# FY08 and FY09 Tax Revenue Projections

**Total Tax Collections: DOR Consensus Hearing Estimates vs. Actual Collections (\$ Billions)**



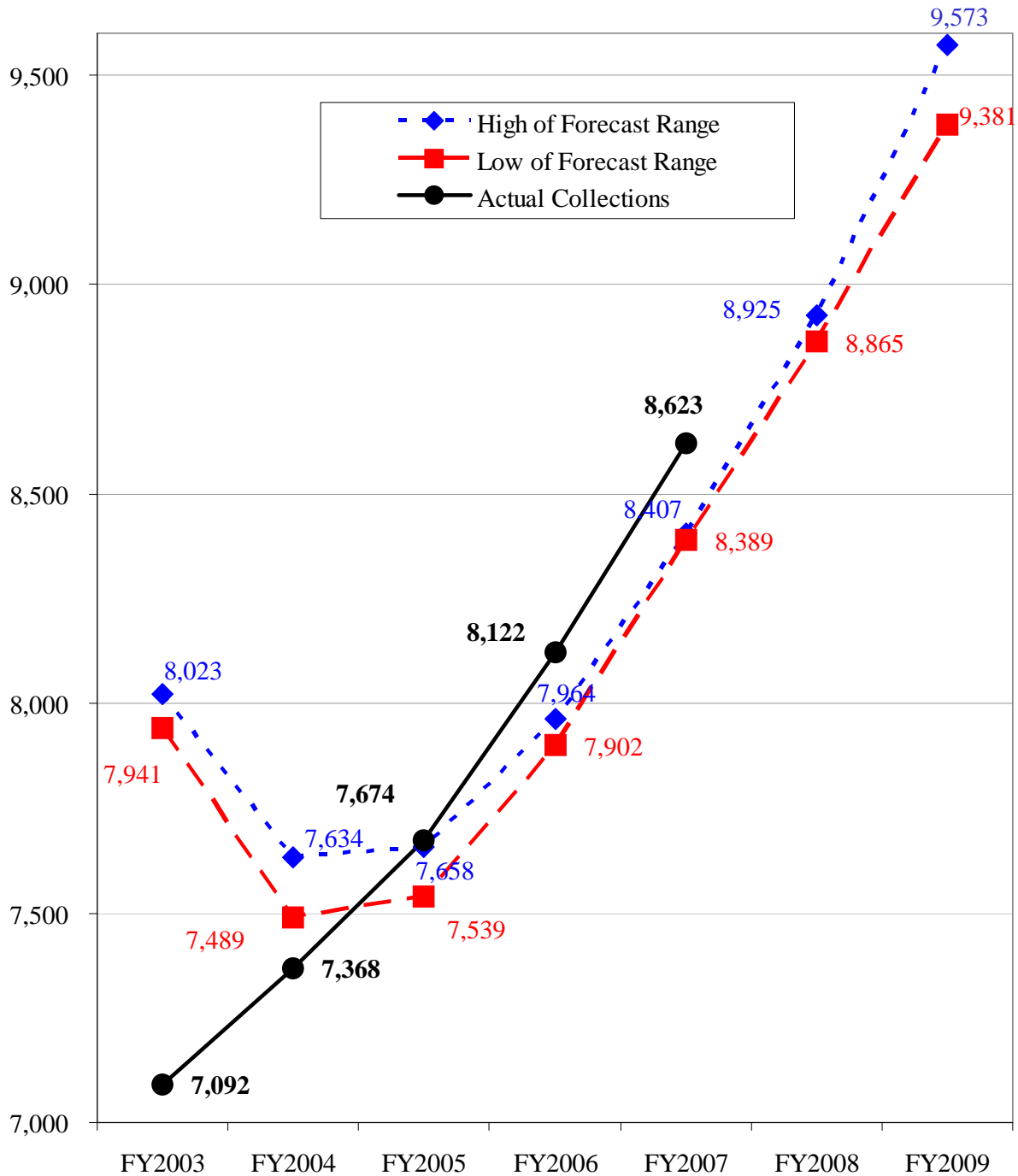
# FY08 and FY09 Tax Revenue Projections

**Total Personal Income Tax: DOR Consensus Hearing Forecast Range  
(Adjusted for Subsequent Tax Law Changes) vs. Actual Collections (in  
\$Millions)**



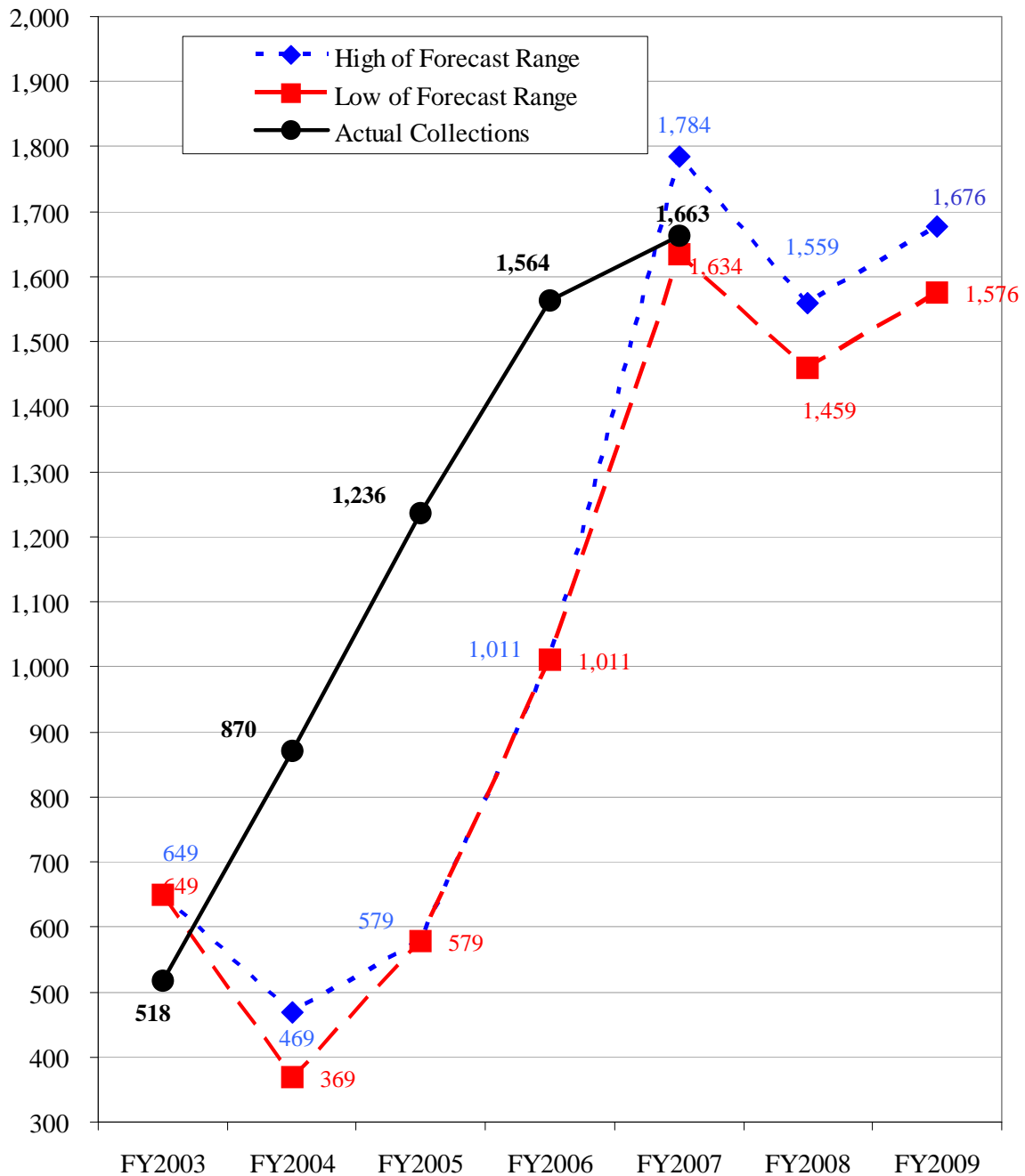
# FY08 and FY09 Tax Revenue Projections

**Income Tax Withholding: DOR Consensus Hearing Forecast Range  
(Adjusted for Subsequent Tax Law Changes) vs. Actual Collections (in  
\$Millions)**



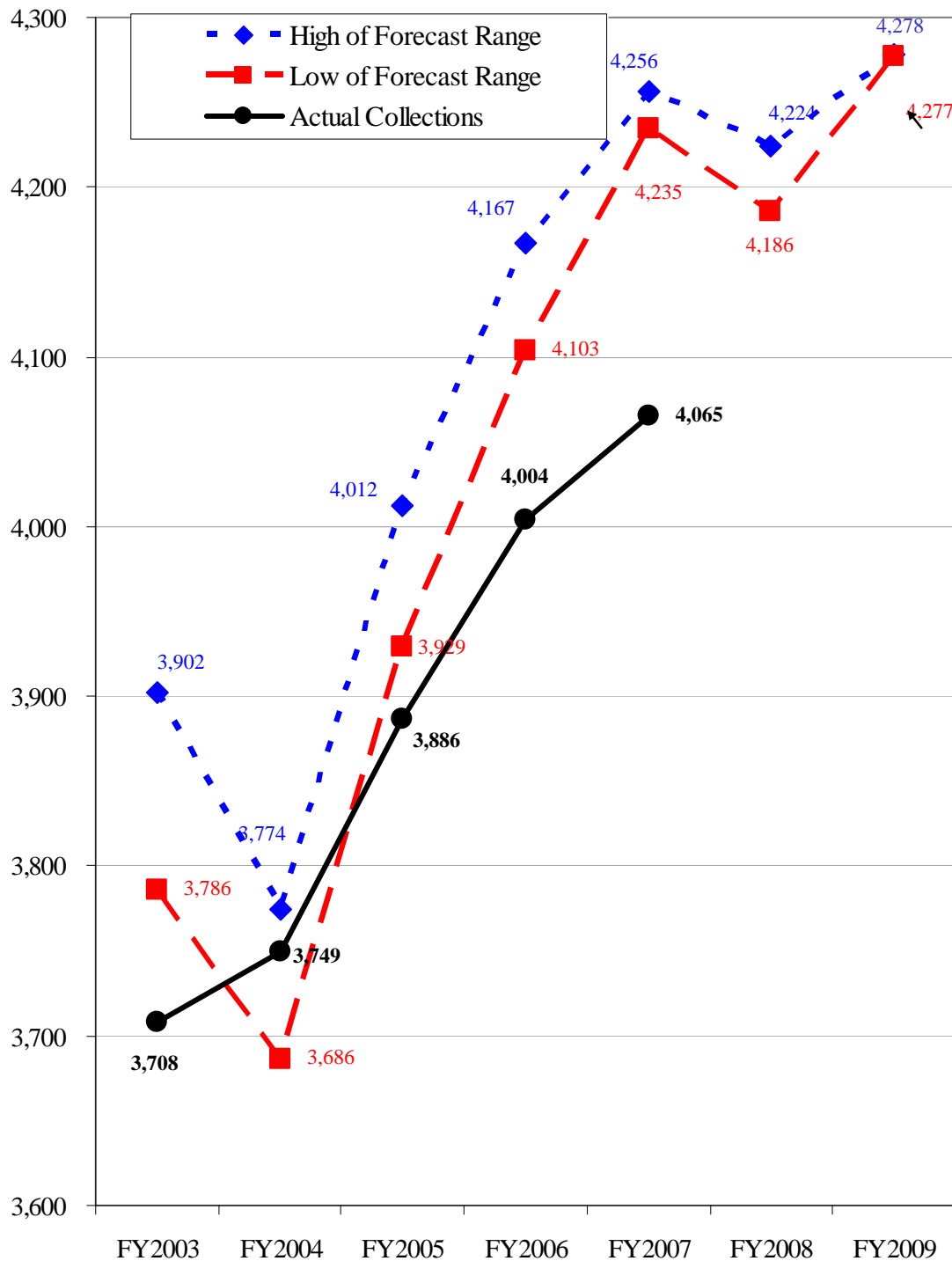
# FY08 and FY09 Tax Revenue Projections

**Capital Gains Tax: DOR Consensus Hearing Forecast Range  
(Adjusted for Subsequent Tax Law Changes) vs. Actual  
Collections (in \$Millions)**



# FY08 and FY09 Tax Revenue Projections

**Sales and Use Tax: DOR Consensus Hearing Forecast Range vs. Actual Collections**  
(in \$Millions)





# FY08 and FY09 Tax Revenue Projections

**Corporate/Business Tax: DOR Consensus Hearing Forecast Range (Adjusted for Subsequent Tax Law Changes) vs. Actual Collections**  
(in \$Millions)

